
Internal Service Funds



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INTERNAL SERVICE FUND SUMMARY

	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed
Revenues			
Use of Money and Property	2,982	5,700	5,700
Charges for Services	12,663,110	71,574,173	99,906,327
Recovered Costs	101,779	0	100,000
Other Sources and Transfers In	249,697	8,000	105,000
Total Revenues	13,017,568	71,587,873	100,117,027

	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed
Expenditures			
Personnel Services	2,850,521	3,255,249	3,155,984
Materials, Supplies and Repairs	8,302,319	8,864,042	7,303,626
Contractual Services	1,395,304	59,205,204	89,594,039
Equipment	57,368	263,378	63,378
Department Specific Appropriation	0	0	0
Total Expenditures	12,605,512	71,587,873	100,117,027

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HEALTHCARE FUND

MISSION STATEMENT

The Healthcare Fund provides city-administered health insurance to employees of the Norfolk Consortium which includes: City of Norfolk, Norfolk Public Schools, and Norfolk Redevelopment and Housing Authority.

DEPARTMENT OVERVIEW

Currently the City of Norfolk, Norfolk Public Schools (NPS) and the Norfolk Redevelopment and Housing Authority (NRHA) purchase healthcare services as a Consortium. The Approved FY 2014 Budget created the Healthcare Fund which implemented city-administered health insurance beginning January 2014. As a result of the move, the Norfolk Consortium was able to minimize healthcare premium increases from the projected 15.2 percent under a fully-insured model to 7.2 percent under the city administered model. This savings is estimated to have saved Consortium members and their employees approximately \$6 million in calendar year 2014.

The Healthcare Fund collects employer and employee premiums from the City of Norfolk, NPS, and NRHA. Medical claims, administrative costs, wellness program costs, fees related to the Affordable Care Act, and benefit consultant costs are expended from the Healthcare Fund. End of year fund balance and interest earned is used to stabilize premiums in future years. Any funds deposited into this account can only be used to pay costs associated with the healthcare plan. Growth of the Healthcare Fund in FY 2015 is primarily due to the annualization of the Fund, which was only active for seven months in FY 2014.

It is estimated that collections in the fund in FY 2015 will total \$86,606,913 from employee, employer, and retiree contributions. Deposits into the Healthcare Fund by Consortium member in FY 2015 are estimated as follows:

- City of Norfolk: \$42,057,371
- NPS: \$42,163,367
- NRHA: \$2,386,175

REVENUE SUMMARY

	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed
Charges for Services	\$0	\$0	\$57,931,973	\$86,606,913
Total	\$0	\$0	\$57,931,973	\$86,606,913

EXPENDITURE SUMMARY

	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed
Contractual Services	\$0	\$0	\$57,931,973	\$86,606,913
Total	\$0	\$0	\$57,931,973	\$86,606,913

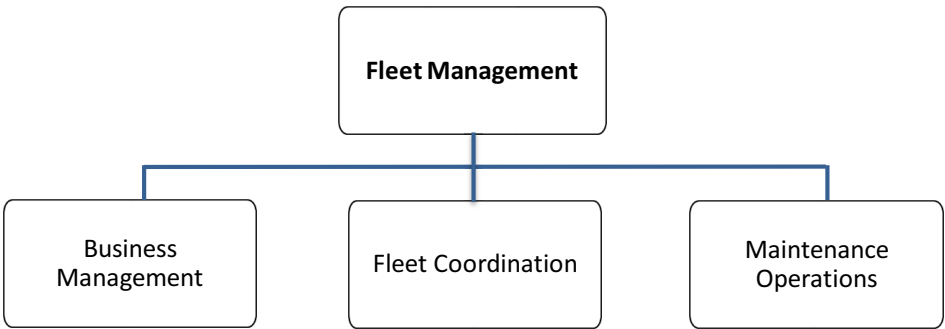
FLEET MANAGEMENT

MISSION STATEMENT

Fleet Management strives to provide quality maintenance and fueling services to all customers, whether internal or external; to ensure safe, operable vehicles and equipment in support of city programs; and to use city resources in the most efficient manner possible.

DEPARTMENT OVERVIEW

Fleet Management reports directly to the Department of General Services. Key responsibilities include vehicle maintenance and repair, fueling, replacement analysis, specification review, acquisition, new vehicle preparation, and disposal.



ACTIONS TO ACHIEVE LONG TERM GOALS AND SHORT-TERM OBJECTIVES

Fleet Management supports the priority area of Well-Managed Government. Fleet's long-term goals are achieved by the efficient repair and maintenance of the fleet, managing multiple contracts and the acquisition and disposal of vehicles and equipment.

Actions	Status
Implementing contracts for citywide fueling, turn-key parts operation, car wash, Department of Motor Vehicle and vehicle rental to improve operational efficiency.	Met
Filling vacant positions with highly-skilled and innovative individuals.	Met
Enhancing work order management system and improved daily status reports.	Met
Implementing right-sizing of the city's fleet (vehicle and equipment) for increased utilization and expansion of the motor pool.	Improving
Exploring other cost saving measures.	Pending

Priority: Well-Managed Government

Goal

Enhance the efficiency of programs and services

Objective

Improve customer service through implementing a quality preventative maintenance program

Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	Change
Maintain preventative maintenance compliance rate of equipment and vehicles	0	93	90	90	0
Increase percent of customers who rate Fleet Services as meeting or exceeding expectations (new measure, FY 2014)	0	0	80	80	0

Objective

Decrease the amount of time vehicles are out of service

Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	Change
Maintain or decrease total number of unscheduled maintenance jobs	75	71	75	70	-5
Maintain fleet availability rate	85	85	85	85	0

Objective

Reduce the number of returns to Fleet for similar repairs

Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	Change
Maintain or reduce comeback rate percent for same repair within 5 days	5	1.8	2	2	0

Priority: Well-Managed Government

Goal

Develop, recruit and retain a well qualified work force

Objective

Increase number of staff who possess industry certifications and related education

Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	Change
Maintain percentage of technicians with Automotive Service Excellence certifications new measure, FY 2015)	0	0	0	70	70

Priority: Environmental Sustainability

Goal

Enhance efficient use and protection of natural resources and the environment

Objective

Reduce the amount of fossil fuel (diesel & gasoline) used by the city's fleet of vehicles and equipment

Measure	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed	Change
Maintain percentage of oil recovered or recycled (new measure)	0	0	0	85	85

REVENUE SUMMARY

	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed
Use of Money and Property	\$5,712	\$2,982	\$5,700	\$5,700
Charges for Services	\$12,178,316	\$12,663,110	\$13,642,200	\$13,299,414
Recovered Costs	\$113,332	\$101,779	\$0	\$100,000
Other Sources and Transfers In	\$0	\$249,697	\$8,000	\$105,000
Total	\$12,297,360	\$13,017,568	\$13,655,900	\$13,510,114

Actual amounts represent collections, not appropriation authority.

EXPENDITURE SUMMARY

	FY 2012 Actual	FY 2013 Actual	FY 2014 Approved	FY 2015 Proposed
Personnel Services	\$3,260,428	\$2,850,521	\$3,255,249	\$3,155,984
Materials, Supplies and Repairs	\$7,759,266	\$8,302,319	\$8,864,042	\$7,303,626
Contractual Services	\$1,251,498	\$1,395,304	\$1,273,231	\$2,987,126
Equipment	\$15,705	\$57,368	\$263,378	\$63,378
Total	\$12,286,897	\$12,605,512	\$13,655,900	\$13,510,114

PROPOSED FY 2015 BUDGET ACTIONS

- **Implement ARMD compensation strategy** **FY 2015: \$48,610** **Positions: 0** **FTE: 0**

Implement a three-year compensation strategy as part of the Attraction, Retention, Motivation, and Development (ARMD) Initiative. FY 2015 implementation includes two phases. First, effective July 2014, the city's lowest paid permanent employees will receive a salary adjustment, and the compensation plan will be restructured and consolidated to provide clarity and ease of understanding. Second, effective January 2015, city employees hired prior to October 2010 will contribute five percent of their salary towards retirement and receive a corresponding five percent salary adjustment, employees in the most regionally out of market positions will receive a pay adjustment, all general and constitutional officer employees will receive a two percent general wage increase, and eligible sworn police and fire officers will receive a one-step increase.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Eliminate two Automotive Service Attendants** **FY 2015: (\$82,860)** **Positions: -2** **FTE: -2**

Eliminate two automotive service attendants who perform large vehicle tire repair and replacement. The department will gain efficiencies and reduce costs by outsourcing the function to a private vendor.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Support increased parts costs** **FY 2015: \$30,249** **Positions: 0** **FTE: 0**

Provide funds to support the increased cost of vehicle replacement parts associated with repairs and preventative maintenance.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Support increased utility costs** **FY 2015: \$2,350** **Positions: 0** **FTE: 0**

Technical adjustment to provide funds for the contractual three percent Consumer Price Index increase for utility costs.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Distribute financial management software cost** **FY 2015: \$123,365** **Positions: 0** **FTE: 0**

Distribute costs associated with the upgrade and maintenance of the Advantage Financial Management System (AFMS). AFMS is the financial system the city uses to conduct day to day business activities. The software uses pre-defined controls, and consistent accounting rules across all financial transactions, tracks and controls funds, and interfaces with the performance budgeting system. This adjustment reflects the portion attributable to nongeneral fund departments.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Distribute time and attendance monitoring software cost** **FY 2015: \$6,971** **Positions: 0** **FTE: 0**

Distribute time and attendance monitoring software upgrade costs to departments. Implementing PeopleSoft Absence Management will provide a reliable absence management system to determine absence accruals, forecast eligibility for past, current, and future absence events, and properly determine payment of absences. This adjustment reflects the portion attributable to nongeneral fund departments.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Reduce support for fleet management software** **FY 2015: (\$200,000)** **Positions: 0** **FTE: 0**

Technical adjustment to remove one-time funding provided in FY 2014 for an upgraded web-based fleet management system, which is compatible with the city's current computer operating system and interfaces with the parts computer system allowing for a more efficient fleet operation.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

- **Adjust costs for Fleet expenditures** **FY 2015: (\$9,456)** **Positions: 0** **FTE: 0**

Technical adjustment to update the funding needed to support Fleet expenditures based on an annual cost revision calculation. Fleet provides maintenance, fuel, and the management of vehicles for essential operations of the department. This is a routine adjustment which occurs each budget cycle.

Priority Area(s) Met: Accessibility, Mobility, and Connectivity and Safe, Healthy, and Inclusive Communities

- **Adjust required contribution to city's retirement system** **FY 2015: (\$71,333)** **Positions: 0** **FTE: 0**

Adjust the annual required contribution to the Norfolk Employee's Retirement System (NERS). Retirement contributions are based on a formula that calculates the funds needed to meet present and future retirement payments. These contributions are actuarially determined based on the funded level of the system. The overall contribution amount for the city will decrease in FY 2015 due to improvement in the funded status of NERS. Costs are distributed based on each department's NERS eligible payroll.

Priority Area(s) Met: Safe, Healthy, and Inclusive Communities

• **Update personnel expenditures**

FY 2015: \$6,318

Positions: 0

FTE: 0

Technical adjustment to update department costs for personnel services. Changes reflect updates in staffing due to administrative actions, creation, consolidations, and reorganization efforts. This adjustment reflects the corresponding funds needed in FY 2015 for these actions. The adjustment also reflects a rate revision for Group Life insurance to 1.32 percent and updated healthcare costs which includes an overall premium increase of four percent and an update based on enrollment. These are routine actions which occur at the beginning of the budget cycle.

Fleet Management

Total (\$145,786)

Positions: -2

FTE: -2

POSITION SUMMARY

				FY 2014		FY 2015	
	Pay Grade	Minimum	Maximum	Approved	Change	Proposed	FTE:
Administrative Assistant II	MAP003	\$33,457	\$53,484	1	0	1	1
Administrative Technician	OPS008	\$28,816	\$46,065	2	0	2	2
Assistant Fleet Maintenance Manager	MAP011	\$54,706	\$87,457	1	0	1	1
Autobody Repair Mechanic	OPS008	\$28,816	\$46,065	1	0	1	1
Automotive Maintenance Operations Manager	MAP007	\$42,525	\$67,985	4	0	4	4
Automotive Repair Technician	OPS009	\$31,179	\$49,848	18	0	18	18
Automotive Service Attendant	OPS006	\$24,683	\$39,458	5	-2	3	3
Business Manager	MAP008	\$45,238	\$72,317	1	0	1	1
Data Quality Control Analyst	OPS008	\$28,816	\$46,065	1	-1	0	0
Fleet Coordinator	MAP006	\$40,005	\$63,954	1	0	1	1
Fleet Maintenance Manager	SRM005	\$63,409	\$111,600	1	0	1	1
Messenger/Driver	OPS003	\$19,704	\$31,503	1	0	1	0.75
Senior Autobody Repair Mechanic	OPS010	\$33,767	\$53,979	1	0	1	1
Senior Automotive Repair Technician	OPS011	\$36,603	\$58,519	17	0	17	17
Software Analyst	ITM002	\$45,446	\$72,652	0	1	1	1
Storekeeper I	OPS005	\$22,875	\$36,571	1	0	1	1
Support Technician	OPS006	\$24,683	\$39,458	2	0	2	2
Welder	OPS009	\$31,179	\$49,848	1	0	1	1
Total				59	-2	57	56.75